

(2) Redistribution in the form of loans, loan guarantees or other appropriate assistance may be to public or private entities.

§ 308.3 Eligible applicants.

Eligible applicants within areas meeting the EDA eligibility criteria described below include:

- (a) A redevelopment area or economic development district established under Title IV of the Act;
- (b) An American Indian tribe;
- (c) A State;
- (d) A city or other political subdivision of a state;
- (e) A consortium of such political subdivisions;
- (f) A Community Development Corporation;
- (g) A non-profit organization determined by EDA to represent the interests of a redevelopment area(s) or economic development districts with respect to the objectives of the Economic Adjustment program; and
- (h) The Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

§ 308.4 Eligible areas.

(a) *General.* The area(s) to be assisted by the applicant must be eligible on the basis of the criteria described below for establishing that it is experiencing either Long-Term Economic Deterioration (LTED) or a Sudden and Severe Economic Dislocation (SSED) or a Special Need.

(b) *LTED.* The area must be experiencing at least one of three economic problems:

- (1) Very high unemployment;
- (2) Low per capita income; or
- (3) Chronic distress (i.e., failure to keep pace with national economic growth trends over the last 5 years). Priority consideration will be given to those areas with two or more of these indicators. Eligibility is generally determined statistically. Further information is available from EDA's regional offices and EDRs (see § 300.4 of this chapter).

(c) *SSED.* The area must show actual or threatened permanent job losses that exceed the following threshold criteria:

(1) For areas not in Metropolitan Statistical Areas:

(i) If the unemployment rate of the Labor Market Area exceeds the national average, the dislocation must amount to the lesser of 2 percent of the employed population, or 500 direct jobs; and

(ii) If the unemployment rate of the Labor Market Area is equal to or less than the national average, the dislocation must amount to the lesser of 4 percent of the employed population, or 1,000 direct jobs.

(2) For areas within Metropolitan Statistical Areas:

(i) If the unemployment rate of the Metropolitan Statistical Area exceeds the national average, the dislocation must amount to the lesser of 0.5 percent of the employed population, or 4,000 direct jobs; and

(ii) If the unemployment rate of the Metropolitan Statistical Area is equal to or less than the national average, the dislocation must amount to the lesser of 1 percent of the employed population or 8,000 direct jobs.

(3) In addition, 50 percent of the job loss threshold must result from the action of a single employer, or 80 percent of the job loss threshold must occur in a single standard industry classification (i.e., two digit SIC code).

(4) Actual dislocations must have occurred within one year and threatened dislocations must be anticipated to occur within 2 years of the date EDA is contacted.

(5) In the case of a Presidentially declared disaster, the area eligibility criteria findings are waived.

(d) *Special need.* An area must be determined by EDA to require assistance for another kind of economic adjustment problem or problems.

§ 308.5 Selection process.

(a) Projects will be selected in accordance with § 304.1 of this chapter.

(b) Applicants for funding of a Revolving Loan Fund (RLF) are generally required to submit a RLF Plan in addition to the adjustment strategy for the area. Guidelines on RLFs are available